

CALIFORNIA DEPARTMENT OF INSURANCE
LEGAL DIVISION
Michael Tancredi, SBN 101425
300 South Spring Street
South Tower, Suite 12700
Los Angeles, CA 90013
Telephone: 213-346-6635
Fax: 213-897-826
Attorneys for
CALIFORNIA DEPARTMENT OF INSURANCE

BEFORE THE INSURANCE COMMISSIONER
STATE OF CALIFORNIA

In the Matter of the Licenses and Licensing
Rights of:
New Hampshire Insurance Company
and
York Risk Services Group, Inc.,

Respondents.

File No.: UPA 2101-00001

OAH No. Pending

ORDER TO SHOW CAUSE
(Ins. Code Sections 790.03 and 790.05);

STATEMENT OF CHARGES/ACCUSATION
(Ins. Code Sections 790.03 and 790.05); 704(b)
704.7;

NOTICE OF MONETARY PENALTY
(Ins. Code Sections 790.03, 790.05 and
790.035).

Date: On a date to be set.

Time: 9:00 a.m.

Place: Office of Administrative Hearings, Los
Angeles, CA

ORDER TO SHOW CAUSE

1. WHEREAS, the California Department of Insurance (hereafter, “the
Department”) has reason to believe that New Hampshire Insurance Company¹

¹ A member company of American International Group, Inc.

1 and its claims handling agent, York Services have engaged in or is engaging in this State in the
2 unfair methods of competition or unfair or deceptive acts or practices, and other unlawful acts, as
3 set forth in the STATEMENT OF SPECIFIC CHARGES/ACCUSATION contained herein; and

4 2. WHEREAS, the Department has reason to believe that a proceeding with respect
5 to the alleged acts of Respondent would be in the public interest;

6 3. NOW, THEREFORE, and pursuant to the provisions of § 790.05 of the
7 California Insurance Code (CIC), Respondent is ordered to appear at the time, date and location
8 to be determined by the Office of Administrative Hearings, and show cause, if any cause there
9 be, why the Commissioner should not issue an Order requiring Respondent to Cease and Desist
10 from engaging in the methods, acts, and practices set forth in the STATEMENT OF SPECIFIC
11 CHARGES/ACCUSATION contained in Paragraph E herein, and imposing the penalties set
12 forth in § 790.035, 704(b) 704.7; of the CIC and as requested in the PRAYER AND NOTICE
13 OF MONETARY PENALTY.

14 **GENERAL STATEMENT**

15 4. Pursuant to Government Code section 11503, the Department files this matter
16 in its official capacity.

17 5. Respondent New Hampshire Insurance Company (hereinafter “New
18 Hampshire”) is a Property and Casualty insurer holding a certificate of authority issued by the
19 Department; Company Identification Number 0135-4.

20 6. Respondent York Risk Services Group, Inc. Group (hereinafter “York”) holds an
21 agency license issued by the Department; License Number 2E11380.

22 7. The Sayre Fire started in Sylmar, CA on November 14, 2008 and led to the loss of
23 489 residences. It burned over 11,000 acres and destroyed more than 600 structures, including
24 480 mobile homes. Both the mayor of Los Angeles and the governor of the California issued state
25 of emergency declarations. The 480 mobile homes destroyed in the fire were located in the
26 Oakridge Mobile Home Park, which, before the fire, housed 600 mobile homes. Respondent New
27
28

1 Hampshire issued Mobile Homeowners Policies to approximately 370 policyholders whose
2 homes suffered total losses as a result of the firestorm. New Hampshire authorized
3 Respondent York to handle the claims arising out of these losses on its behalf.

4
5 **STATEMENT OF SPECIFIC CHARGES/ACCUSATION**

6 **a. Department File No. CSB-6406962, Susan W²**

7 8. On June 4, 2009, Susan W filed a complaint at against both Respondents with the
8 Department alleging undue delay in the processing of a claim. An investigation by the
9 Department's Claims Services Bureau found New Hampshire and York to each be in
10 noncompliance with California Insurance Code Section 2060 and the Fair Claims Settlement
11 Practices Regulations (California Code of Regulations ("CCR"), Title 10, Chapter 5, Subchapter
12 7.5), specifically Sections 2695.7(c) (1), 2695.7(h), 2695.4(a), and 2695.7(d)

13 9. CCR Section 2695.7(h) requires an insurer upon acceptance of the claim in whole
14 or in part and, when necessary, upon receipt of a properly executed release, shall immediately, but
15 in no event more than thirty (30) calendar days later, tender payment or otherwise take action to
16 perform its claim obligation. York received the complainant's personal property inventory list
17 On April 24, 2009. A status letter was sent to the complainant dated April 27, 2009 indicating
18 that the claim was accepted and payment for the remainder of the personal property limits would
19 be issued. The payment request was not processed until June 16, 2009, and only after the
20 complainant contacted the insurer to complain about the delay. Since payment was not issued
21 within 30 days, both New Hampshire and York were found in violation of this section.

22 10. California Insurance Code Section 2060 requires that when a loss results in a claim
23 for additional living expenses, the insurer is to provide the insured with a list of items that
24 the insurer believes may be covered under the policy as covered expenses. The
25 Department's review of the claim file found no evidence of the insured being provided with such
26 a list. Therefore, both New Hampshire and York were found in violation of this statute.

27
28 ² The full last names of the policyholders are not listed to protect the privacy of the individuals. The Respondents know the full last names and can cross reference them to the Department file number, which is stated.

1 11. Section 2695.4(a) requires an insurer to disclose to a first party claimant, all
2 benefits and policy provisions that may apply to the presented claim. This claim was reported to
3 New Hampshire and York on November 17, 2008. A review of the claim file shows the insured
4 was not advised of the Additional Amount of Insurance for Coverage A endorsement until March
5 5, 2009. Therefore, both companies were found in violation of this section.

6 12. Section 2695.7(d) requires every insurer to conduct and diligently pursue its
7 investigation of a claim. Although this claim was reported to on November 18, 2008, no attempt
8 was made to determine the replacement cost value of the home until May 2009. Therefore, both
9 New Hampshire and York were found in violation of this section.

10 13. The Department notified New Hampshire of these violations in letters dated
11 January 13, 2010 and March 18, 2010. York was notified of the violations in a letter dated
12 May 20, 2010.

13 14. On April 9, 2010, New Hampshire wrote to the Department to dispute the findings
14 that it was in violation of CIC Section 2060 and CCR Sections 2695.4(a) and 2695.7(d). The
15 Department advised New Hampshire by letter dated May 18, 2010 that the violations would
16 stand.

17 **b. Department File No. CSB-6406322, Leonard and Jacqueline B**

18 15. On January 15, 2009 a complaint was filed with the Department against New
19 Hampshire and York alleging an unreasonably low settlement offer. An investigation by the
20 Department's Claims Services Bureau found New Hampshire and York to be in noncompliance
21 with California Insurance Code Section 2060 and the Fair Claims Settlement Practices
22 Regulations (California Code of Regulations, Title 10, Chapter 5, Subchapter 7.5), specifically
23 Section 2695.4(a).

24 16. California Insurance Code Section 2060 requires that when a loss results in a claim
25 for additional living expenses, the insurer is to provide the insured with a list of items that
26 the insurer believes may be covered under the policy as covered expenses. The review of the
27 claim file found no evidence of the insured being provided with such a list. Therefore, both New
28 Hampshire and York were found in violation of this statute.

1 17. Section 2695.4(a) requires an insurer to disclose to a first party claimant, all
2 benefits and policy provisions that may apply to the presented claim. This claim was reported to
3 New Hampshire on November 17, 2008. A review of the claim file shows the insured was not
4 advised of the Additional Amount of Insurance for Coverage A endorsement until March 6,
5 2009. Therefore, both New Hampshire and York were found in violation of this section.

6 18. The Department notified New Hampshire of these violations in a letter
7 dated January 6, 2010. York was notified of the violations in a letter dated May 20, 2010.

8 **c. Department File No. CSB-6434844, Joanne Nadeau**

9 19. On April 8, 2009, a complaint was filed against New Hampshire and York alleging
10 the undue delay in the processing of a claim. An investigation by the Department's Claims
11 Services Bureau found New Hampshire to be in noncompliance with California Insurance Code
12 Section 2060 and the Fair Claims Settlement Practices Regulations (California Code of
13 Regulations, Title 10, Chapter 5, Subchapter 7.5), specifically Sections 2695.4(a), 2695.5(a),
14 2695.7(d), 2695.7(g), and 2695.7(h). York was found to be in violation of CIC Section 2060 and
15 CCR Sections 2695.4(a), 2695.7(d), 2695.7(g), and 2695.7(h).

16 20. California Insurance Code Section 2060 requires that when a loss results in a claim
17 for additional living expenses, the insurer provide the insured with a list of items that
18 the insurer believes may be covered under the policy as covered expenses. The review of the
19 claim file found no evidence of the insured being provided with such a list. Therefore, both New
20 Hampshire and York were found in violation of this statute.

21 21. Section 2695.4(a) requires an insurer to disclose to a first party claimant, all
22 benefits and policy provisions that may apply to the presented claim. This claim was reported on
23 November 18, 2008. A review of the claim file shows the insured was not advised of the
24 Additional Amount of Insurance for Coverage A endorsement until March 2, 2009. Therefore,
25 both New Hampshire and York were found in violation of this section.

26 22. Section 2695.5(a) of the Fair Claims Settlement Practices Regulations requires a
27 complete response to a Department of Insurance inquiry within 21 calendar days. A response is
28 considered to be complete if it addresses all issues raised by the Department of Insurance in its

1 inquiry and includes copies of any documentation and claim files requested. In the Department's
2 April 8, 2009 letter to New Hampshire, the Department asked for a copy of the complete claim
3 file. The documents that were sent did not include the log notes. Therefore, New Hampshire was
4 found in violation of this section.

5 23. Section 2695.7(d) requires every insurer to conduct and diligently pursue its
6 investigation of a claim. Although this claim was reported on November 18, 2008, no attempt
7 was made to determine the replacement cost value of the home until several months later.
8 Therefore, both New Hampshire and York were found in violation of this section.

9 24. Section 2695.7(g) states that no insurer shall attempt to settle a claim by making a
10 settlement offer that is unreasonably low. On September 1, 2009, the insured provided York
11 with escrow documents and contractors estimates totaling \$289,083.53 so she could collect the
12 difference between the prior dwelling payment of \$144,000 and the agreed upon replacement cost
13 of \$286,970. New Hampshire rejected an entire contractor's bid for \$35,950 because the
14 improvements were for the exterior of the home and the coverage B limits had already been
15 exhausted. However, after intervention by this Department, \$19,214.75 was approved because it
16 was later agreed that many of the items on the bid were indeed covered under coverage A.
17 Therefore, both New Hampshire and York were found in violation of this section.

18 25. Section 2695.7(h) requires an insurer to tender payment of claims no later than 30
19 calendar days from acceptance of claim. In this claim, the Other Structures estimate was received
20 and accepted on March 17, 2009, but payment was not issued until April 23, 2009. 4/23/09.
21 Therefore, both New Hampshire and York were found in violation of this section.

22 26. The Department notified New Hampshire of these violations in a letters dated
23 January 6, 2010. York was notified of the violations in a letter dated May 21, 2010.

24 **d. Department File No. CSB-6441439, John and Michelle T**

25 27. On May 6, 2009, a complaint was filed against New and York alleging an undue
26 delay in processing the above-captioned claim.

27 28. An investigation by the Department's Claims Services Bureau found New
28 Hampshire to be in noncompliance with California Insurance Code Section

1 2060 and the Fair Claims Settlement Practices Regulations (California Code of Regulations, Title
2 10, Chapter 5, Subchapter 7.5), specifically Sections 2695.5(a) and 2695.7(g). York was
3 found to be in violation of CIC Section 2060 and CCR Section 2695.7(g).

4 29. In reference to Section 2695.5(a), this Department sent a letter to New Hampshire
5 on May 6, 2009, and a response was considered late on May 27, 2009. An incomplete
6 response was received on May 22, 2009; this response was considered incomplete because it
7 failed to include a copy of the claim file as requested in our initial letter to New Hampshire. A
8 second request was then sent via e-mail on August 6, 2009, and the follow-up response was due
9 on or before August 27, 2009. The claim file was finally received via e-mail on September 9,
10 2009, and therefore two violations of this regulation were attributed to New Hampshire.

11 30. California Insurance Code Section 2060 requires that when a loss results in a claim
12 for additional living expenses, the insurer provide the insured with a list of items that
13 the insurer believes may be covered under the policy as covered expenses. The review of the
14 claim file found no evidence of the insured being provided with such a list. Therefore, both New
15 Hampshire and York were found in violation of this statute.

16 31. Section 2695.7(g) states that no insurer shall attempt to settle a claim by making a
17 settlement offer that is unreasonably low. This policy had a \$9400 policy limit for Other
18 Structures. When settling this portion of the claim, York applied a \$500 deductible to the
19 policy limit despite the total value of the claim being in excess of \$11,000. The incorrect
20 application of the deductible resulted in a payment of \$8900 when the payment should have been
21 \$9400. Therefore, both New Hampshire and York were found in violation of this section.

22 32. The Department notified New Hampshire of these violations
23 in letters dated October 7, 2009 and March 24, 2010. York was notified of its violations in a
24 letter dated May 21, 2010.

25 **e. Department File No. CSB-6458253, Alicia V**

26 33. On July 7, 2009, a complaint was filed against New Hampshire and York alleging
27 an undue delay in processing the claim as well as unfair settlement offers being made.
28 An investigation by the Department's Claims Services Bureau found New Hampshire

1 Company and York to be in noncompliance with California Insurance Code Section 2060
2 and the Fair Claims Settlement Practices Regulations (California Code of Regulations, Title 10,
3 Chapter 5, Subchapter 7.5), specifically Sections 2695.5(e) (2) and 2695.4(a).

4 34. Section 2695.5(e) (2) requires an insurer to provide necessary claim forms no later
5 than 15 calendar days from receiving notice of claim. Notice of claim was received on November
6 17, 2008. York was required to take action under this regulation no later than December
7 2, 2008; however, the required action was not sent until December 10, 2008. Therefore, both
8 New Hampshire and York were found in violation of this section.

9 35. California Insurance Code Section 2060 requires that when a loss results in a claim
10 for additional living expenses, the insurer provide the insured with a list of items that
11 the insurer believes may be covered under the policy as covered expenses. The review of the
12 claim file found no evidence of the insured being provided with such a list. Therefore, both New
13 Hampshire and York were found in violation of this statute.

14 36. Section 2695.4(a) requires an insurer to disclose to a first party claimant, all
15 benefits and policy provisions that may apply to the presented claim. This claim was reported to
16 New Hampshire and York on November 17, 2008. A review of the claim file shows the insured
17 was not advised of the Additional Amount of Insurance for Coverage A endorsement until March
18 5, 2009. Therefore, both New Hampshire and York were found in violation of this section.

19 37. The Department notified New Hampshire of these violations in letters dated
20 September 23, 2009 and March 25, 2010. York was advised of its violations in a letter dated
21 May 21, 2010.

22 **f. Department File No. CSB-6462336, Peggy F**

23 38. On July 23, 2009, a complaint was filed against New Hampshire and York alleging
24 an undue delay in processing with no reasonable settlement offers made. An investigation by the
25 Department's Claims Services Bureau found New Hampshire to be in noncompliance with
26 California Insurance Code Sections 790.03(h) (1) and 2060 and the Fair Claims Settlement
27 Practices Regulations (California Code of Regulations, Title 10, Chapter 5, Subchapter 7.5),
28 specifically Sections 2695.5(a), 2695.5(e) (2), 2695.4(a), and 2695.7(d). York Claims was found

1 to be in violation of California Insurance Code Sections 2060 and 790.03(h) (1) and CCR
2 Sections 2695.4(a) and 2695.7(d).

3 39. In reference to Section 2695.5(a), this Department sent a letter to New Hampshire
4 on July 23, 2009, and a response was received on August 13, 2009. Some additional
5 correspondence then went back and forth via e-mail while efforts were being made to
6 resolve the outstanding claim issues. On August 31, 2009, an e-mail was sent asking for a copy
7 of the explanation and/or breakdown that was paid on the supplement. No response was ever
8 received by the due date of September 21, 2009, so a follow-up letter was then sent on September
9 23, 2009. The anticipated response was then provided on September 25, 2009; however, a
10 violation of this regulation did occur.

11 40. Section 2695.5(e) (2) requires an insurer to provide necessary claim forms no later
12 than 15 calendar days from receiving notice of claim. Notice of claim was received by New
13 Hampshire on November 18, 2008, and New Hampshire was required to take action under this
14 regulation no later than December 2, 2008. The required action was not done until December 8,
15 2008, thereby causing a violation of the regulation.

16 41. California Insurance Code Section 2060 requires that when a loss results in a claim
17 for additional living expenses, the insurer provide the insured with a list of items that
18 the insurer believes may be covered under the policy as covered expenses. Our review of the
19 claim file found no evidence of the insured being provided with such a list. Therefore, both New
20 Hampshire and York were found in violation of this statute.

21 42. California Insurance Code Section 790.03(h) (1) prohibits an insurer from
22 misrepresenting insurance policy provisions to claimants. On June 28, 2009, a letter was sent by
23 York to the insured advising that her policy had an endorsement that provided an additional 110%
24 in Dwelling coverage. However, the insured actually had an endorsement that provided an
25 additional 125%. Therefore, both New Hampshire and York were found in violation
26 of this statute.

27 43. Section 2695.4(a) requires an insurer to disclose to a first party claimant, all
28 benefits and policy provisions that may apply to the presented claim. This claim was reported to

1 New Hampshire on. November 17, 2008. A review of the claim file shows the insured was not
2 advised of the Additional Amount of Insurance for Coverage A endorsement until March 4, 2009.
3 Therefore, both New Hampshire and York were found in violation of this section.

4 44. Section 2695.7(d) requires every insurer to conduct and diligently pursue its
5 investigation of a claim. Although this claim was reported on November 17, 2008, no attempt
6 was made to determine the replacement cost value of the home until May 2009. Therefore, both
7 New Hampshire and York were found in violation of this section.

8 45. The Department notified New Hampshire of these violations in letters dated
9 October 26, 2009 and March 24, 2010. York was notified of its violations in a letter dated
10 May 21, 2010.

11 g. **CSB-6462726, Douglas and Jodene F**

12 46. On July 23, 2009, a complaint was filed against New Hampshire and York alleging
13 a delay in the handling of a claim. An investigation by the Department's Claims Services Bureau
14 found New Hampshire and York to be in noncompliance with California Insurance Code Section
15 2060 and the Fair Claims Settlement Practices Regulations (California Code of Regulations, Title
16 10, Chapter 5, Subchapter 7.5), specifically Sections 2695.4(a), 2695.7(d) and 2695.7(c) (1).

17 47. California Insurance Code Section 2060 requires that when a loss results in a claim
18 for additional living expenses, the insurer provide the insured with a list of items that
19 the insurer believes may be covered under the policy as covered expenses. The review of the
20 claim file found no evidence of the insured being provided with such a list. Therefore, both New
21 Hampshire and York were found in violation of this statute.

22 48. Section 2695.4(a) requires an insurer to disclose to a first party claimant, all
23 benefits and policy provisions that may apply to the presented claim. This claim was reported to
24 New Hampshire on November 17, 2008. A review of the claim file shows that the insured was
25 not advised of the Additional Amount of Insurance for Coverage A endorsement until January 15,
26 2009. Therefore, both New Hampshire and York were found in violation of this section.

27 49. Section 2695.7(d) requires every insurer to conduct and diligently pursue its
28 investigation of a claim. Although this claim was reported on November 17, 2008, no attempt

1 was made to determine the replacement cost value of the home until several months later.

2 Therefore, both New Hampshire and York were found in violation of this section.

3 50. Section 2695.7(c) (1) requires that if more time is required than is allotted in
4 subsection 2695.7(b) to determine whether a claim should be accepted and/or denied, every
5 insurer shall provide the claimant, within the time frame specified in subsection 2695.7(b), with
6 written notice of the need for additional time. In this case, proof of claim was received on
7 November 25, 2008 in the form of an estimated replacement cost. The first written notice of the
8 need for additional time was sent timely on December 16, 2008. However, continuing notices
9 needed to be sent every 30 days until the claim was accepted or denied. The next notice was
10 timely on January 15, 2009. However the next status letter was due on February 16, 2009 and
11 was not sent until March 3, 2009. The next notices were sent timely on March 10, 2009, April 4,
12 2009 and April 22, 2009. The following notice was due on May 22, 2009 and was not sent until
13 June 16, 2009. The next notice was due on July 16, 2009 but was not sent until July 30, 2009.
14 Therefore, both New Hampshire and York were found to have committed three violations of this
15 section.

16 51. The Department notified New Hampshire of these violations in a letter dated
17 June 6, 2010. York was notified of its violations in a letter dated May 21, 2010.

18 **h. Department File No. CSB-6463641, Jerry and Diane M**

19 52. On July 27, 2009, a complaint was filed against New Hampshire and York alleging
20 an unsatisfactory settlement offer was made and undue delay in claim processing. An
21 investigation by the Department's Claims Services Bureau found New Hampshire
22 Company and York to be in noncompliance with California Insurance Code Section 2060
23 and the Fair Claims Settlement Practices Regulations (California Code of Regulations, Title 10,
24 Chapter 5, Subchapter 7.5), specifically Section 2695.4(a).

25 53. California Insurance Code Section 2060 requires an insurer to provide the insured
26 with a list of items that the insurer believes may be covered under the policy as additional living
27 expenses which the insured has made a claim for. The list may include a statement that the list is
28 not intended to include all items covered under the policy, but only those that are commonly

1 claimed, if this is the case. This list was never provided to the insured. Therefore, both New
2 Hampshire and York were found in violation of this statute.

3 54. Section 2695.4(a) requires an insurer must disclose to a first party claimant or
4 beneficiary, all benefits, coverage, time limits or other provisions of any insurance policy issued
5 by that insurer that may apply to the claim presented by the claimant. When additional benefits
6 might reasonably be payable under an insured's policy upon receipt of additional proofs of claim,
7 the insurer shall immediately communicate this fact to the insured and cooperate with and assist
8 the insured in determining the extent of the insurer's additional liability. The \$500 Debris
9 Removal policy benefit was never disclosed to the complainant and was never paid. Therefore,
10 both New Hampshire and York were found in violation of this section.

11 55. The Department notified New Hampshire of these violations in a letter dated
12 January 6, 2010. York was advised of these violations in a letter dated May 25, 2010.

13 **i. Department File No. CSB-6464029, Bethany F**

14 56. On July 30, 2009, this complaint was filed against New Hampshire and York
15 alleging an undue delay in the processing of a claim. An investigation by the Department's Claims
16 Services Bureau found New Hampshire to be in noncompliance with California Insurance Code
17 Section 2060 and the Fair Claims Settlement Practices Regulations (California Code of
18 Regulations, Title 10, Chapter 5, Subchapter 7.5), specifically Sections 2695.5(a) and 2695.5(e).
19 York was found to be in violation of California Insurance Code Section 2060.

20 57. In reference to Section 2695.5(a), this Department sent a letter to New Hampshire
21 on July 30, 2009, and a response was considered late on August 20, 2009. The response was not
22 received by the Department until August 28, 2009, representing a violation of this regulation.

23 58. Section 2695.5(e) (2) requires an insurer to provide necessary claim forms no later
24 than 15 calendar days from notice of claim. Notice of claim was received by New Hampshire
25 on November 17, 2008, and New Hampshire was required to take action under this regulation no
26 later than December 2, 2008. The required action did not occur until December 9, 2008, and this
27 represents a violation of this regulation.

28 59. California Insurance Code Section 2060 requires that when a loss results in a claim

1 for additional living expenses, the insurer is to provide the insured with a list of items that
2 the insurer believes may be covered under the policy as covered expenses. The review of the
3 claim file found no evidence of the insured being provided with such a list. Therefore, both New
4 Hampshire and York were found in violation of this statute.

5 60. The Department notified New Hampshire of these violations in letters dated
6 December 31, 2009 and March 25 2010. York was notified of its violation in a letter dated
7 May 25, 2010.

8 **j. CSB-6464243, Wesley and Terri M**

9 61. On July 29, 2009, a complaint was filed against New Hampshire and York alleging
10 an unsatisfactory settlement offer was made and undue delay in claim processing. An
11 investigation by the Department's Claims Services Bureau found New Hampshire
12 to be in noncompliance with California Insurance Code Section 2060 and the Fair
13 Claims Settlement Practices Regulations (California Code of Regulations, Title 10, Chapter 5,
14 Subchapter 7.5), specifically Sections 2695.5(a) and 2695.7(d). York was found to be in
15 violation of CIC 2060 and CCR 2695.7(d).

16 62. In reference to Section 2695.5(a), this Department sent a letter to New Hampshire
17 on July 31, 2009 and a response was considered late on August 26, 2009.
18 The response was not received in our office until September 9, 2009. Therefore, New Hampshire
19 was in violation of this regulation.

20 63. California Insurance Code Section 2060 requires that when a loss results in a claim
21 for additional living expenses, the insured is to provide the insured with a list of items that
22 the insurer believes may be covered under the policy as covered expenses. Our review of the
23 claim file found no evidence of the insured being provided with such a list. Therefore, both New
24 Hampshire and York were found in violation of this statute.

25 64. Section 2695.7(d) requires every insurer to conduct and diligently pursue its
26 investigation of a claim. Although this claim was reported to New Hampshire on November 17,
27 2008, no effort was made to determine the replacement cost value of the home until April 2009.
28 Therefore, both New Hampshire and York were found in violation of this section.

1 65. The Department notified New Hampshire of these violations in letters dated
2 March 19, 2010 and March 22, 2010. York was notified of its violations in a letter dated May 25,
3 2010. On April 16, 2010, New Hampshire wrote to the Department to dispute the findings that it
4 was in violation of CIC Section 2060 and CCR Section 2695.7(d). A letter advising New
5 Hampshire that the violations would stand was sent on May 19, 2010.

6 **k. Department File No. CSB-6482648, Mindy L and Darlene W**

7 66. On September 15, 2009, a complaint was filed against New Hampshire and York
8 alleging undue delay in claim processing as well as an unsatisfactory settlement offer was made.
9 An investigation by the Department's Claims Services Bureau found New Hampshire
10 Company to be in noncompliance with California Insurance Code Sections 790.03(h)(1) and
11 2060, and the Fair Claims Settlement Practices Regulations (California Code of Regulations, Title
12 10, Chapter 5, Subchapter 7.5), specifically Sections 2695.3(a), 2695.7(b), 2695.7(h) and
13 2695.7(d). York Services was found to be in violation of CIC Sections 790.03(h) (1) and
14 2060, and CCR Sections 2695.7(b), 2695.7(h) and 2695.7(d).

15 67. California Insurance Code Section 790.03(h) (1) prohibits an insurer from
16 misrepresenting facts or policy provisions. In York's letter to the complainants dated August 31,
17 2009, it advised that endorsement 87128 referred to Guaranteed Replacement Cost which is no
18 longer available and was not on their renewal policy effective October 4, 2008. Endorsement
19 87128 is actually Specified Additional Amount of Insurance for Coverage A - 110%. Therefore,
20 both New Hampshire and York were found in violation of this statute.

21 68. Section 2695.3(a) requires an insurer's file must contain all documents. A copy of
22 York's status letter to the complainants as well as the questionnaire for replacement cost quote as
23 referenced in New Hampshire's claims activity log notes dated July 25, 2009 was not included in
24 the claim file that was requested. Therefore, New Hampshire was found to be in violation of this
25 section.

26 69. Section 2695.7(b) requires an insurer upon receiving proof of claim, except as
27 specified in subsection 2695.7(b) (4), shall immediately, but in no event more than forty (40)
28 calendar days later, accept or deny the claim, in whole or in part. Here, York received

1 proof of claim in the form of a personal and Business Personal Property inventory list on
2 December 23, 2008. This claim was required to be accepted or denied, or notice sent per
3 2695.76(c) (1), no later than February 1, 2009. The payment was not issued for the Business
4 Personal Property until February 8, 2009 and no notice was ever sent. Therefore, both New
5 Hampshire and York were found in violation of this section.

6 70. Section 2695.7(h) requires an insurer upon acceptance of the claim in whole or in
7 part and, when necessary, upon receipt of a property executed release, shall immediately, but in
8 no event more than thirty (30) calendar days later, tender payment or otherwise take action to
9 perform its claim obligation. Here, the complainants submitted their partial personal property
10 inventory list as well as their Business Personal Property list to New Hampshire Company on
11 December 23, 2008. A check in the amount of \$24,500.00 which represented 50% of the
12 complainants personal property policy limit was issued to them on December 24, 2008.
13 However, the check for the \$5,000.00 Business Personal Property was never issued until February
14 8, 2009. Therefore, both New Hampshire and York were found in violation of this statute.

15 71. California Insurance Code Section 2060 requires that when a loss results in a claim
16 for additional living expenses, the insurer is to provide the insured with a list of items that
17 the insurer believes may be covered under the policy as covered expenses. Our review of the
18 claim file found no evidence of the insured being provided with such a list. Therefore, both New
19 Hampshire and York were found in violation of this statute.

20 72. Section 2695.7(d) requires every insurer to conduct and diligently pursue its
21 investigation of a claim. Although this claim was reported to New Hampshire
22 Company on November 18, 2008, New Hampshire made no attempt to
23 determine the replacement cost value of the home until April of 2009. Therefore, both New
24 Hampshire and York were found in violation of this statute.

25 73. The Department notified New Hampshire of these violations in letters dated
26 January 20, 2010 and March 22, 2010. York was notified of its violations in a letter dated
27 May 25, 2010. On April 9, 2010, New Hampshire wrote to the Department to dispute the findings
28 that it was in violation of CIC Section 2060 and CCR Section 2695.7(d). A letter advising New

1 Hampshire that the violations would stand was sent on May 18, 2010.

2 **I. Department File No. CSB-6486062, Janet N**

3 74. On September 29, 2009, a complaint was filed against New Hampshire and York
4 alleging an unreasonably low settlement offer. An investigation by the Department's Claims
5 Services Bureau found New Hampshire and York to be in noncompliance with California
6 Insurance Code Section 2060 and the Fair Claims Settlement Practices Regulations (California
7 Code of Regulations, Title 10, Chapter 5, Subchapter 7.5), specifically Sections 2695.4(a),
8 2695.7(d), and 2695.7(c) (1).

9 75. California Insurance Code Section 2060 requires that when a loss results in a claim
10 for additional living expenses, the insurer is to providee the insured with a list of items that
11 the insurer believes may be covered under the policy as covered expenses. The review of the
12 claim file found no evidence of the insured being provided with such a list. Therefore, both New
13 Hampshire and York were found in violation of this statute.

14 76. Section 2695.4(a) requires an insurer to disclose to a first party claimant, all
15 benefits and policy provisions that may apply to the presented claim. This claim was reported to
16 New Hampshire on November 17, 2008. A review of the claim file shows the insured
17 was not advised of the Additional Amount of Insurance for Coverage A endorsement until
18 February 25, 2009. Therefore, both New Hampshire and York were found in violation of this
19 section.

20 77. Section 2695.7(d) requires every insurer to conduct and diligently pursue its
21 investigation of a claim. Although this claim was reported to New Hampshire
22 Company on November 18, 2009, no attempt was made to determine the replacement cost value
23 of the home until several months later. Therefore, both New Hampshire and York
24 were found in violation of this section.

25 78. After proof of claim is received, Section 2695.7(c) (1) requires an insurer to
26 provide notice every 30 days to a claimant whenever the insurer is unable to accept or deny the
27 claim within the timeframe required in Section 2695.7(b). In this case, timely notice was
28 provided to the claimant on December 17, 2008, January 16, 2009, February 12, 2009, March 2,

2009, March 30, 2009, and April 17, 2009. However, the notice that was due on May 18, 2009 was not sent until May 22, 2009, constituting one violation of this section. Notice was again sent timely on June 18, 2009, but the notices that were due on July 20, 2009, August 19, 2009, and September 18, 2009 were not sent, resulting in an additional three violations of this section.

79. The Department notified New Hampshire of these violations in a letter dated January 6, 2010. York was notified of its violations in a letter dated May 25, 2010.

m. Department File No. CSB-6489309, Naida and Jorge B

80. On October 6, 2009, a complaint was filed against New Hampshire and York alleging a claim handling delay. An investigation by the Department's Claims Services Bureau found New Hampshire to be in noncompliance with California Insurance Code Section 2060 and the Fair Claims Settlement Practices Regulations (California Code of Regulations, Title 10, Chapter 5, Subchapter 7.5), specifically Section 2695.4(a).

81. California Insurance Code Section 2060 requires an insurer to provide the insured with a list of items that the insurer believes may be covered under the policy as additional living expenses which the insured has made a claim for. The list may include a statement that the list is not intended to include all items covered the policy, but only those that are commonly claimed, if this is the case. This list was never provided to the insured. Therefore, both New Hampshire and York were found in violation of this statute.

82. Section 2695.4(a) requires an insurer must disclose to a first party claimant or beneficiary, all benefits, coverage, time limits or other provisions of any insurance policy issued by that insurer that may apply to the claim presented by the claimant. When additional benefits might reasonably be payable under an insured's policy upon receipt of additional proofs of claim, the insurer shall immediately communicate this fact to the insured and cooperate with and assist the insured in determining the extent of the insurer's additional liability. The \$500 Debris Removal policy benefit was never disclosed to the complainant and was never paid. Therefore, both New Hampshire and York were found in violation of this section.

83. The Department notified New Hampshire of these violations in a letter dated March 24, 2010. York was advised of its violations in a letter dated May 25, 2010.

1 **m. Department File No. CSB-6502348, Judith L**

2 84. On December 15, 2009, a complaint was filed against New Hampshire and York
3 alleging an unreasonably low settlement offer. An investigation by the Department's Claims
4 Services Bureau found New Hampshire and York to each be in noncompliance with California
5 Insurance Code Section 2060 and the Fair Claims Settlement Practices Regulations (California
6 Code of Regulations, Title 10, Chapter 5, Subchapter 7.5), specifically Sections 2695.4(a),
7 2695.7(d), 2695.7(g), and 2695.7(c) (1).

8 85. California Insurance Code Section 2060 requires that when a loss results in a
9 claim for additional living expenses, the insurer is to provide the insured with a list of items that
10 the insurer believes may be covered under the policy as covered expenses. Our review of the
11 claim file found no evidence of the insured being provided with such a list. Therefore, both New
12 Hampshire and York were found in violation of this statute.

13 86. Section 2695.4(a) requires an insurer to disclose to a first party claimant, all
14 benefits and policy provisions that may apply to the presented claim. This claim was reported on
15 November 18, 2008. A review of the claim file shows the insured was not advised of the
16 Additional Amount of Insurance for Coverage A endorsement until March 6, 2009
17 Therefore, both New Hampshire and York were found in violation of this section.

18 87. Section 2695.7(d) requires every insurer to conduct and diligently pursue its
19 investigation of a claim. Although this claim was reported to New Hampshire on November 18,
20 2008, no attempt was made to determine the replacement cost value of the home until several
21 months later. Therefore, both New Hampshire and York were found in violation of this section.

22 88. Section 2695.7(g) states that no insurer shall attempt to settle a claim by making a
23 settlement offer that is unreasonably low. On February 17, 2009, the adjuster notified the insured
24 that the file was being closed. At this time only \$74,000 of the Coverage A policy limits had
25 been paid. Although New Hampshire had not yet come to an agreement with the California
26 Department of Insurance that ultimately led to the insured being provided an additional 110% for
27 the replacement of the Dwelling, York's settlement offer to the insured did not include the
28 undisputed 10% increase given by the Additional Amount of Insurance endorsement.

1 Therefore, both New Hampshire and York were found in violation of this section.

2 89. Section 2695.7(c) (1) requires an insurer to provide notice to a claimant whenever
3 the insurer is unable to accept or deny the claim within the timeframe required in Section
4 2695.7(b). In this case, proof of claim was received by York on November 24, 2008 and the
5 claim for the dwelling wasn't accepted in full and paid until August 10, 2009. Notice pursuant to
6 this Section was sent timely on December 17, 2008, January 15, 2009, and February 16, 2009.
7 However, continuing notices that were due on March 18, 2009, April 17, 2009, May 18, 2009,
8 June 17, 2009, and July 17, 2009. Therefore, New Hampshire and York claim were found to
9 have committed five violations of this regulation.

10 90. The Department notified New Hampshire of these violations in a letter dated
11 March 18, 2010. York was notified of its violations in a letter dated May 25, 2010.

12 91. On April 16, 2010, New Hampshire wrote to the Department to dispute the
13 that it was in violation of CIC Section 2060 and CCR Sections 2695.4(a), 2695.7(g),
14 2695.7(c) (1) and 2695.7(d). A letter advising New Hampshire that the violations would stand
15 was sent on May 19, 2010.

16 **n. Department File No. CSB-6405361, Rich and Karen A**

17 92. On January 13, 20/09, a complaint was filed New Hampshire and York alleging
18 the undue delay in the handling of this claim. An investigation by the Department's Claims
19 Services Bureau found both companies to be in noncompliance with California Insurance Code
20 Section 2060 and the Fair Claims Settlement Practices Regulations (California Code of
21 Regulations, Title 10, Chapter 5, Subchapter 7.5), specifically Sections 2695.4(a) and 2695.7(d).
22 California Insurance Code Section 2060 requires that when a loss results in a claim for
23 additional living expenses, provide the insured with a list of items that the insurer believes may be
24 covered under the policy as covered expenses. Our review of the claim file found no evidence of
25 the insured being provided with such a list. Therefore, both New Hampshire and York were
26 found in violation of this statute.

27 93. Section 2695.4(a) requires an insurer to disclose to a first party claimant, all
28 benefits and policy provisions that may apply to the presented claim. This claim was reported to

1 New Hampshire on November 17, 2008. A review of the claim file shows the insured was not
2 advised of the Additional Amount of Insurance for Coverage A endorsement until February 25,
3 2009. Therefore, both New Hampshire and York were found in violation of this section.

4 94. Section 2695.7(d) requires every insurer to conduct and diligently pursue its
5 investigation of a claim. Although this claim was reported on November 17, 2009, no attempt was
6 made to determine the replacement cost value of the home until several months later. Therefore,
7 both New Hampshire and York were found in violation of this section.

8 95. On November 13, 2009 the Department notified New Hampshire that it was in
9 violation of that these violations had occurred. York was notified of its violations in a letter dated
10 May 25, 2010.

11 **o. Department File No. CSB-6397011, Manuela C**

12 96. On December 2, 2008, a complaint was filed against New Hampshire and York
13 alleging undue delay in the paying of Additional Living Expenses. An investigation by the
14 Department's Claims Services Bureau found New Hampshire to be in noncompliance with
15 California Insurance Code Section 2060 and the Fair Claims Settlement Practices Regulations
16 (California Code of Regulations, Title 10, Chapter 5, Subchapter 7.5), specifically Sections
17 2695.4(a), 2695.5(a) and 2695.7(d). York was found to be in violation of CIC Section 2060 and
18 CCR Sections 2695.4(a) and 2695.7(d).

19 97. California Insurance Code Section 2060 requires an insurer to provide the insured
20 with a list of items that the insurer believes may be covered under the policy as additional living
21 expenses which the insured has made a claim for. The list may include a statement that the list is
22 not intended to include all items covered under the policy, but only those that are commonly
23 claimed, if this is the case. This list was never provided to the insured. Therefore, both New
24 Hampshire and York were found in violation of this statute.

25 98. Section 2695.4(a) requires an insurer to disclose to a first party claimant all
26 benefits and policy provisions that may apply to the presented claim. This claim was reported to
27 New Hampshire on November 20, 2008. A review of the claim file shows the insured was not
28 advised of the Additional Amount of Insurance for Coverage A endorsement until February 25,

1 2009. Therefore, both New Hampshire and York were found in violation of this section.

2 99. In reference to Section 2695.5(a), this Department sent a letter to New Hampshire
3 on April 23, 2009 and a response was considered late on May 19, 2009. No response was ever
4 received. The Department then sent a follow-up letter to New Hampshire, dated May 28, 2009.
5 This response was considered late on June 23, 2010. The response was received on June 9, 2009.
6 Therefore, New Hampshire was found to be in violation of this section.

7 100. Section 2695.7(d) requires every insurer to conduct and diligently pursue a
8 thorough, fair and objective investigation and shall not persist in seeking information not
9 reasonably required for, or material to, the resolution of a claim dispute. Based on the report dated
10 March 24, 2009 from DMA Claims Services, New Hampshire made no attempt to determine the
11 replacement cost of the complainant's home until almost four months post loss. Therefore, both
12 New Hampshire and York were found in violation of this section.

13 101. The Department notified New Hampshire of these violations in a letter dated
14 May 14, 2010. York was notified of its violations in a letter dated May 26, 2010.

15 **p. Department File No. CSB-6407976, Lanny S**

16 102. On February 13, 2009, a complaint was filed against New Hampshire and York
17 alleging an unreasonably low settlement offer. An investigation by the Department's Claims
18 Services Bureau found both companies to be in noncompliance with California Insurance Code
19 Section 2060 and the Fair Claims Settlement Practices Regulations (California Code of
20 Regulations, Title 10, Chapter 5, Subchapter 7.5), specifically Section 2695.7(d) and 2695.4(a).

21 103. California Insurance Code Section 2060 requires when a loss results in a
22 claim for additional living expenses, the insurer is to provide the insured with a list of items that
23 the insurer believes may be covered under the policy as covered expenses. The review of the
24 claim file found no evidence of the insured being provided with such a list. Therefore, both New
25 Hampshire and York were found in violation of this statute.

26 104. Section 2695.4(a) requires an insurer to disclose to a first party claimant, all
27 benefits and policy provisions that may apply to the presented claim. This claim was reported to
28 New Hampshire and York in November of 2008. A review of the claim file shows the insured

1 was not advised of the Additional Amount of Insurance for Coverage A endorsement until
2 February 27, 2009 .Therefore, both New Hampshire and York were found in violation of this
3 section.

4 105. The Department notified New Hampshire of these violations in a letter dated
5 May 19, 2010. York was notified of its violations in letter dated May 26, 2010.

6 **q. Department File No. CSB-6460209, Ronald Z**

7 106. On July 13, 2009, a complaint was filed against New Hampshire and York
8 alleging an unreasonably low settlement offer. An investigation by the Department's Claims
9 Services Bureau found both companies to be in noncompliance with California Insurance Code
10 Section 2060 and the Fair Claims Settlement Practices Regulations (California Code of
11 Regulations, Title 10, Chapter 5, Subchapter 7.5), specifically Section 2695.4(a).

12 107. California Insurance Code Section 2060 requires when a loss results in a
13 claim for additional living expenses, the insurer is to provide the insured with a list of items that
14 the insurer believes may be covered under the policy as covered expenses. The review of the
15 claim file found no evidence of the insured being provided with such a list. Therefore, both New
16 Hampshire and York were found in violation of this statute.

17 108. Section 2695.4(a) requires an insurer to disclose to a first party claimant, all
18 benefits and policy provisions that may apply to the presented claim. This claim was reported to
19 New Hampshire on November 16, 2008. A review of the claim file shows the insured was not
20 advised of the Additional Amount of Insurance for Coverage A endorsement until March 4, 2009.
21 Therefore, both New Hampshire and York were found in violation of this section.

22 109. The Department notified New Hampshire of these violations in a letter dated
23 May19, 2010. York was notified of its violations in a letter dated May 6, 2010.

24 **r. Department File No. CSB-6410973, Jacalyn J**

25 110. On February 4, 2009, a complaint was filed against New Hampshire and York
26 alleging an undue delay in the handling of this claim. An investigation by the Department's
27 Claims Services Bureau found both companies to be in noncompliance with California Insurance
28 Code Section 2060.

111. California Insurance Code Section 2060 requires that when a loss results in a claim for additional living expenses, the insurer is to provide the insured with a list of items that the insurer believes may be covered under the policy as covered expenses. The Department's review of the claim file found no evidence of the insured being provided with such a list. Therefore, both New Hampshire and York were found in violation of this statute.

112. The Department notified New Hampshire of these violations in a letter dated May 19, 2010. York was notified of its violation in a letter dated May /26, 2010.

s. Department File No. CSB-6479351, Geraldo J

113. On September 9, 2009, a complaint was filed against New Hampshire and York alleging an unreasonably low settlement offer. An investigation by the Department's Claims Services Bureau found New Hampshire to be in noncompliance with California Insurance Code Section 2060 and the Fair Claims Settlement Practices Regulations (California Code of Regulations, Title 10, Chapter 5, Subchapter 7.5), specifically Sections 2695.4(a) and 2695.7(d).

114. California Insurance Code Section 2060 requires when a loss results in a claim for additional living expenses, the insurer provide the insured with a list of items that the insurer believes may be covered under the policy as covered expenses. The review of the claim file found no evidence of the insured being provided with such a list. Therefore, both New Hampshire and York were found in violation of this statute.

115. Section 2695.4(a) requires an insurer to disclose to a first party claimant, all benefits and policy provisions that may apply to the presented claim. This claim was reported to New Hampshire on November 18, 2008. A review of the claim file shows the insured was not advised of the Additional Amount of Insurance for Coverage A endorsement until March 6, 2009. Therefore, both New Hampshire and York were found in violation of this section.

116. Section 2695.7(d) requires every insurer to conduct and diligently pursue its investigation of a claim. Although this claim was reported on November 18, 2008, no attempt was made to determine the replacement cost value of the home until March of 2009. Therefore, both New Hampshire and York were found in violation of this statute.

117. The Department notified New Hampshire of these violations in a letter dated

1 May 19, 2010. York was notified of its violations in a letter dated May 26, 2010.

2 **t. Department File No. CSB-6442410, Bruce H**

3 118. On May 19, 2009, a complaint was filed against New Hampshire and York
4 alleging an unreasonably low settlement offer. An investigation by the Department's Claims
5 Services Bureau found New Hampshire and York to be in noncompliance with California
6 Insurance Code Section 2060.

7 119. California Insurance Code Section 2060 requires when a loss results in a
8 claim for additional living expenses, the insurer provide the insured with a list of items that the
9 insurer believes may be covered under the policy as covered expenses. The review of the claim
10 file found no evidence of the insured being provided with such a list. Therefore, both New
11 Hampshire and York were found in violation of this statute.

12 120. The Department notified New Hampshire of this violation in a letter dated May 19,
13 2010. York was notified of this violation in a letter dated May /26, 2010.

14 **u. Department File No. CSB-6448703, Nicole F**

15 121. On May 28, 2009, a complaint was filed against New Hampshire and York
16 alleging an unreasonably low settlement offer. An investigation by the Department's Claims
17 Services Bureau found New Hampshire to be in noncompliance with California Insurance Code
18 Section 2060 and the Fair Claims Settlement Practices Regulations (California Code of
19 Regulations, Title 10, Chapter 5, Subchapter 7.5), specifically Sections 2695.7(d) and 2695.7(g).

20 122. California Insurance Code Section 2060 requires that when a loss results in a
21 claim for additional living expenses, the insurer provide the insured with a list of items that the
22 insurer believes may be covered under the policy as covered expenses. The review of the claim
23 file found no evidence of the insured being provided with such a list. Therefore, both New
24 Hampshire and York were found in violation of this statute.

25 123. Section 2695.7(d) requires every insurer to conduct and diligently pursue its
26 investigation of a claim. Although this claim was reported to New Hampshire on November 18,
27 2008, no attempt was made to determine the replacement cost value of the home until several
28 months later. Therefore, both New Hampshire and York were found in violation of this section.

1 Section 2695.7(g) states that no insurer shall attempt to settle a claim by making a
2 settlement offer that is unreasonably low. When determining the replacement cost value of the
3 insured's home, an \$1800 deduction for the dishwasher and range was mistakenly taken twice.
4 Therefore, both New Hampshire and York were found in violation of this section.

5 125. The Department notified New Hampshire of this violation in a letter dated
6 May 19, 2010. York was notified of its violations in a letter dated May 26, 2010.

7 **v. CSB-6502314, Mary Anne P**

8 126. On January 11, 2010, a complaint was filed against New Hampshire and York
9 alleging an unreasonably low settlement offer. An investigation by the Department's Claims
10 Services Bureau found both companies to be in noncompliance with California Insurance Code
11 Section 2060 and the Fair Claims Settlement Practices Regulations (California Code of
12 Regulations, Title 10, Chapter 5, Subchapter 7.5), specifically Section 2695.7(d).

13 127. California Insurance Code Section 2060 requires when a loss results in a
14 claim for additional living expenses, the insurer provide the insured with a list of items that the
15 insurer believes may be covered under the policy as covered expenses. Our review of the claim
16 file found no evidence of the insured being provided with such a list. Therefore, a violation of
17 this statute has occurred.

18 128. Section 2695.7(d) requires every insurer to conduct and diligently pursue its
19 investigation of a claim. Although this claim was reported to your company on 11/17/08, your
20 company made no attempt to determine the replacement cost value of the home until several
21 months later. Therefore, a violation of this section has occurred.

22 129. Both companies were notified of these violations in letters dated May 26, 2010.

23 **w. Department File No. CSB-6497016, Robert W**

24 130. On November 19, 2009, a complaint was filed against New Hampshire and York
25 alleging an unreasonably low settlement offer. An investigation by the Department's Claims
26 Services Bureau has found both companies to be in noncompliance with California Insurance
27 Code Section 2060 and the Fair Claims Settlement Practices Regulations (California Code of
28 Regulations, Title 10, Chapter 5, Subchapter 7.5), specifically Sections 2695.4(a), 2695.7(d), and

1 2695.7(c) (1).

2 131. California Insurance Code Section 2060 requires that when a loss results in a
3 claim for additional living expenses, the insurer provide the insured with a list of items that the
4 insurer believes may be covered under the policy as covered expenses. The review of the claim
5 file found no evidence of the insured being provided with such a list. Therefore, a violation of
6 this statute has occurred.

7 132. Section 2695.4(a) requires an insurer to disclose to a first party claimant, all
8 benefits and policy provisions that may apply to the presented claim. This claim was reported on
9 November 17, 2008. A review of the claim file shows the insured was not advised of the
10 Additional Amount of Insurance for Coverage A endorsement until March 5, 2009. Therefore, a
11 violation of this section has occurred.

12 133. Section 2695.7(d) requires every insurer to conduct and diligently pursue its
13 investigation of a claim. Although this claim was reported on November 17, 2008, no attempt
14 was made to determine the replacement cost value of the home until several months later.
15 Therefore, a violation of this section has occurred.

16 134. Section 2695.7(c)(1) requires an insurer to provide notice to a claimant whenever
17 the insurer is unable to accept or deny the claim within the timeframe required in Section
18 2695.7(b). In this case, proof of claim was received on November 23, 2008. Notice pursuant to
19 this Section was sent timely on December 17, 2008 and January 15, 2009. However, the
20 continuing notice that was due on February 16, 2009 was not sent until February 19, 2009,
21 constituting one violation of this section. Notice was again sent timely on March 5, 2009, but
22 notices that were due on April 6, 2009, May 6, 2009, June 5, 2009, July 6, 2009, August 5, 2009,
23 September 7, 2009, October 7, 2009, and November 9, 2009 were not sent, constituting another
24 eight violations of this section.

25 135. Both companies were notified of these violations in letters dated June 11, 2010.

26 **x. Department File No. CSB-6454813, Kalai A**

27 136. On June 15, 2009, a complaint was filed against New Hampshire and York
28 alleging an unsatisfactory settlement offer. An investigation by the Department's Claims Services

1 Bureau both companies to be in noncompliance with California Insurance Code Section 2060 and
2 the Fair Claims Settlement Practices Regulations (California Code of Regulations, Title 10,
3 Chapter 5, Subchapter 7.5), specifically Sections 2695.4(a), 2695.7(c) (1) and 2695.7(d).

4 137. California Insurance Code Section 2060 requires an insurer to provide the insured
5 with a list of items that the insurer believes may be covered under the policy as additional living
6 expenses which the insured has made a claim for. The list may include a statement that the list is
7 not intended to include all items covered under the policy, but only those that are commonly
8 claimed, if this is the case. This list was never provided to the insured. Therefore, a violation of
9 this statute has occurred.

10 138. Section 2695.4(a) requires an insurer must disclose to a first party claimant or
11 beneficiary, all benefits, coverage, time limits or other provisions of any insurance policy issued
12 by that insurer that may apply to the claim presented by the claimant. When additional benefits
13 might reasonably be payable under an insured's policy upon receipt of additional proofs of claim,
14 the insurer shall immediately communicate this fact to the insured and cooperate with and assist the
15 insured in determining the extent of the insured's additional liability. This claim was reported to
16 New Hampshire on November 17, 2008. A review of this claim file shows the complainant was
17 not advised of the Additional Amount of Insurance for Coverage A endorsement until March 4,
18 2009. In addition, the \$500 Debris Removal policy benefit was never disclosed to the
19 complainant. Therefore, two violations of this regulation have occurred.

20 139. Section 2695.7(c)(1) requires an insurer to provide notice to a claimant whenever
21 the insurer is unable to accept or deny the claim within the timeframe required in Section
22 2695.7(b). Also continuing notice was required every 30 calendar days. Here, continuing notice
23 was sent to the claimant on December 16, 2008, January 20, 2009, February 20, 2009, March 4,
24 2009 and April 22, 2009. No continuing notice was sent for May 2009 and June 2009.
25 Therefore, two violations of this regulation have occurred.

26 140. Section 2695.7(d) requires every insurer to conduct and diligently pursue a
27 thorough, fair and objective investigation and shall not persist in seeking information not
28 reasonably required for or material to the resolution of a claim dispute. Per York's letter to the

1 complainant dated March 4, 2009, no effort was made to determine the replacement cost of the
2 complainant's home from Pacific Valley Homes until June 26, 2009 and with no input from the
3 complainant. Therefore, a violation of this statute has occurred.

4 141. The Department notified New Hampshire of these violations in a letter dated
5 July 9, 2010. York was notified of the violations in a letter dated August 23, 2010.

6 **y. Department File No. CSB-6497217, Scott and Jan H**

7 142. On November 10, 2009, a complaint was filed against New Hampshire and York
8 alleging an undue delay in claim processing. An investigation by the Department's Claims
9 Services Bureau has found both companies to be in noncompliance with California Insurance
10 Code Section 2060 and the Fair Claims Settlement Practices Regulations (California Code of
11 Regulations, Title 10, Chapter 5, Subchapter 7.5), specifically Sections 2695.4(a) and 2695.7(d).

12 143. California Insurance Code Section 2060 requires an insurer to provide the insured
13 with a list of items that the insurer believes may be covered under the policy as additional living
14 expenses which the insured has made a claim for. The list may include a statement that the list is
15 not intended to include all items covered under the policy, but only those that are commonly
16 claimed, if this is the case. This list was never provided to the complainants. Therefore, a
17 violation of this statute has occurred.

18 144. Section 2695.4(a) requires an insurer must disclose to a first party claimant or
19 beneficiary, all benefits, coverage, time limits or other provisions of any insurance policy issued
20 by that insurer that may apply to the claim presented by the claimant. When additional benefits
21 might reasonably be payable under an insured's policy upon receipt of additional proofs of claim,
22 the insurer shall immediately communicate this fact to the insured and cooperate with and assist
23 the insured in determining the extent of the insured's additional liability. This claim was
24 reported to New Hampshire on November 17, 2008. A review of this claim file shows the
25 complainants were never advised of the Additional Amount of Insurance for Coverage A
26 endorsement. In addition, the \$500 Debris Removal policy benefit was never disclosed to the
27 complainants and was never paid. Therefore, two violations of this regulation have occurred.

28 145. Section 2695.7(d) requires every insurer to conduct and diligently pursue a

1 thorough, fair and objective investigation and shall not persist in seeking information not
2 reasonably required for or material to the resolution of a claim dispute. The complainants
3 forwarded a replacement cost estimate to York on May 20, 2009. The Home Options List for
4 Insurance Replacement Cost was not sent to the complainants until August 5, 2009. The
5 replacement cost estimate was not requested from Pacific Valley Homes until October 16, 2009.
6 In addition, the replacement cost estimate secured by York was incorrect as the complainants'
7 home consisted of four sections instead of three and the delivery cost was not included.
8 Therefore, a violation of this regulation has occurred.

9 146. The Department notified New Hampshire of these violations in a letter dated
10 July 15, 2010. York was notified of the violations in a letter dated August 23, 2010.

11 **z. Department File No. CSB-6439714, Julie S**

12 147. On June 11, 2009, a complaint was filed alleging an undue delay with the
13 processing of a claim. An investigation by the Department's Claims Services Bureau has found
14 New Hampshire and York to be in noncompliance with California Insurance Code Section 2060
15 and the Fair Claims Settlement Practices Regulations (California Code of Regulations, Title 10,
16 Chapter 5, Subchapter 7.5), specifically Section 2695.4(a).

17 148. California Insurance Code Section 2060 requires that when a loss results in a
18 claim for additional living expenses, the insurer provide the insured with a list of items that the
19 insurer believes may be covered under the policy as covered expenses. The Department's review
20 of the claim file found no evidence of the insured being provided with such a list. Therefore, a
21 violation of this statute has occurred.

22 149. Section 2695.4(a) requires an insurer to disclose to a first party claimant, all
23 benefits and policy provisions that may apply to the presented claim. This claim was reported to
24 New Hampshire on November 15, 2008. A review of the claim file shows the insured was not
25 advised of the Additional Amount of Insurance for Coverage A endorsement until 3/5/09.
26 Therefore, a violation of this section has occurred.

27 150. The Department notified New Hampshire and York of these violations in letters
28 dated August 23, 2010.

1 **aa. Department File No. CSB-6448728, Alberta L**

2 151. On May 29, 2009, a complaint was filed alleging undue delay in claim processing.
3 An investigation by the Department's Claims Services Bureau has found New Hampshire and
4 York to be in noncompliance with California Insurance Code Section 2060 and the Fair Claims
5 Settlement Practices Regulations (California Code of Regulations, Title 10, Chapter 5,
6 Subchapter 7.5), specifically Section 2695.7(d).

7 152. California Insurance Code Section 2060 requires an insurer to provide the insured
8 with a list of items that the insurer believes may be covered under the policy as additional living
9 expenses which the insured has made a claim for. The list may include a statement that the list is
10 not intended to include all items covered under the policy, but only those that are commonly
11 claimed, if this is the case. This list was never provided to the insured. Therefore, a violation of
12 this statute has occurred.

13 153. Section 2695.7(d) requires every insurer to conduct and diligently pursue a
14 thorough, fair and objective investigation and shall not persist in seeking information not
15 reasonably required for and material to the resolution of a claim dispute. The complainant
16 forwarded a copy of her replacement cost estimate with the list of upgrades to York on February
17 5, 2009. York made no attempt to determine the replacement cost of the complainant's home
18 until June 3, 2009, when it secured a replacement cost quote from Ginny Harmon at the park.
19 Therefore, a violation of this regulation has occurred.

20 154. The Department notified New Hampshire and York of these violations in a letters
21 dated August 23, 2010.

22 **bb. Department File No. CSB-6497016, Robert W**

23 155. On November 9, 2009, a complaint was filed alleging an unreasonably low
24 settlement offer. An investigation by the Department's Claims Services Bureau has found New
25 Hampshire and York to be in noncompliance with California Insurance Code Section 2060 and
26 the Fair Claims Settlement Practices Regulations (California Code of Regulations, Title 10,
27 Chapter 5, Subchapter 7.5), specifically Sections 2695.4(a), 2695.7(d), and 2695.7(c) (1).
28

1 156. California Insurance Code Section 2060 requires when a loss results in a
2 claim for additional living expenses, provide the insured with a list of items that the insurer
3 believes may be covered under the policy as covered expenses. The review of the claim file
4 found no evidence of the insured being provided with such a list. Therefore, a violation of this
5 statute has occurred.

6 157. Section 2695.4(a) requires an insurer to disclose to a first party claimant, all
7 benefits and policy provisions that may apply to the presented claim. This claim was reported to
8 New Hampshire on November 17, 2008. A review of the claim file shows the insured was not
9 advised of the Additional Amount of Insurance for Coverage A endorsement until March 5, 2009.
10 Therefore, a violation of this section has occurred.

11 158. Section 2695.7(d) requires every insurer to conduct and diligently pursue its
12 investigation of a claim. Although this claim was reported on November 17, 2008, no attempt
13 was made to determine the replacement cost value of the home until several months later.
14 Therefore, a violation of this section has occurred.

15 159. Section 2695.7(c) (1) requires an insurer to provide notice to a claimant whenever
16 the insurer is unable to accept or deny the claim within the timeframe required in Section
17 2695.7(b). In this case, proof of claim was received on 11/23/08. Notice pursuant to this Section
18 was sent timely on December 17, 2008 and January 15, 2009. However, the continuing notice
19 that was due on February 16, 2009 was not sent until February 19, 2009, constituting one
20 violation of this section. Notice was again sent timely on March 5, 2009, but notices that were
21 due on April 6, 2009, May 6, 2009, June 5, 2009, July 6, 2009, August 5, 2009, September 7,
22 2009, October 7, 2009, and November 8, 9, 2009 were not sent, constituting another eight
23 violations of this section.

24 160. The Department notified New Hampshire and York of these violations in a letters
25 June 11, 2010.

26 **cc. Department File No. CSB-6479350, Gary R**

27 161. On September 2, 2009, a complaint was filed alleging an unreasonably low
28 settlement offer. An investigation by the Department's Claims Services Bureau has found New

1 Hampshire and York to be in noncompliance with California Insurance Code Section 2060 and
2 the Fair Claims Settlement Practices Regulations (California Code of Regulations, Title 10,
3 Chapter 5, Subchapter 7.5), specifically Sections 2695.4(a) and 2695.7(d).

4 162. California Insurance Code Section 2060 requires that when a loss results in a
5 claim for additional living expenses, the insurer provide the insured with a list of items that the
6 insurer believes may be covered under the policy as covered expenses. The review of the claim
7 file found no evidence of the insured being provided with such a list. Therefore, a violation of
8 this statute has occurred.

9 163. Section 2695.4(a) requires an insurer to disclose to a first party claimant, all
10 benefits and policy provisions that may apply to the presented claim. This claim was reported to
11 New Hampshire on November 18, 2008. A review of the claim file shows the insured was not
12 advised of the Additional Amount of Insurance for Coverage A endorsement until June 21, 2009.
13 Therefore, a violation of this section has occurred.

14 164 Section 2695.7(d) requires every insurer to conduct and diligently pursue its
15 investigation of a claim. Although this claim was reported to New Hampshire on November 18,
16 2008, no attempt was made to determine the replacement cost value of the home until several
17 months later. Therefore, a violation of this section has occurred.

18 165. The Department notified New Hampshire and York of these violations in a letters
19 dated August 24, 2010.

20 **dd. Department File No. CSB-6498390, Mavis A**

21 166. November 14, 2009, a complaint was filed alleging an unreasonably low
22 settlement offer. An investigation by the Department's Claims Services Bureau has found New
23 Hampshire and York to be in noncompliance with California Insurance Code Section 2060 and
24 the Fair Claims Settlement Practices Regulations (California Code of Regulations, Title 10,
25 Chapter 5, Subchapter 7.5), specifically Sections 2695.4(a) and 2695.7(d).

26 167. California Insurance Code Section 2060 requires that when a loss results in a
27 claim for additional living expenses, the insurer provide the insured with a list of items that the
28 insurer believes may be covered under the policy as covered expenses. The review of the claim

1 file found no evidence of the insured being provided with such a list. Therefore, a violation of
2 this statute has occurred.

3 168. Section 2695.4(a) requires an insurer to disclose to a first party claimant, all
4 benefits and policy provisions that may apply to the presented claim. This claim was reported to
5 New Hampshire on November 18, 2008. A review of the claim file shows the insured was not
6 advised of the Additional Amount of Insurance for Coverage A endorsement until March 5, 2009.
7 Therefore, a violation of this section has occurred.

8 169. Section 2695.7(d) requires every insurer to conduct and diligently pursue its
9 investigation of a claim. Although this claim was reported on, November 18, 2008 no attempt
10 was made to determine the replacement cost value of the home until March 26, 2009. Therefore,
11 a violation of this section has occurred.

12 170. The Department notified New Hampshire and York of these violations in a letters
13 dated August 24, 2010.

14 **ee. Department File No. CSB-6495137, Michael and Carol P**

15 171. On October 28, 2009, a complaint was alleging an unreasonably low settlement
16 offer. An investigation by the Department's Claims Services Bureau has found New Hampshire to
17 be in noncompliance with California Insurance Code Section 2060 and the Fair Claims Settlement
18 Practices Regulations (California Code of Regulations, Title 10, Chapter 5, Subchapter 7.5),
19 specifically Section 2695.7(d).

20 172. California Insurance Code Section 2060 requires that when a loss results in a
21 claim for additional living expenses, the insurer provide the insured with a list of items that the
22 insurer believes may be covered under the policy as covered expenses. The review of the claim
23 file found no evidence of the insured being provided with such a list. Therefore, a violation of
24 this statute has occurred.

25 173. Section 2695.7(d) requires every insurer to conduct and diligently pursue its
26 investigation of a claim. Although this claim was reported on November 18, 2008, no attempt
27 was made to determine the replacement cost value of the home until several months later.
28 Therefore, a violation of this section has occurred.

**NUMBER OF VIOLATIONS AND ASSOCIATED SECTIONS OF THE
CALIFORNIA CODE OF REGULATIONS AND CALIFORNIA INSURANCE
CODE**

As noted in detail above, the conduct of the respondents has resulted in 125 violations against New Hampshire and 117 violations against York. The table below provides a summary of the violations as they correspond to the relevant sections of the California Code of Regulations and of the California Insurance Code.

New Hampshire Violations

SECTION VIOLATED	NUMBER OF VIOLATIONS
§2060 CIC	32
§790.03(h)(1) CIC	2
§2695.7(c)(1) CCR	30
§2695.7(h) CCR	3
§2695.4(a)CCR	21
§2695.7(d) CCR	21
§2695.5(a) CCR	7
§2695.7(g) CCR	4
§2695.5(e)(2) CCR	3
§2695.3(a) CCR	1
§2695.7(b) CCR	1
TOTAL	125

York Services Violations

SECTION VIOLATED	NUMBER OF VIOLATIONS
§2060 CIC	32
§790.03(h)(1) CIC	2
§2695.7(c)(1) CCR	30
§2695.7(h) CCR	3
§2695.4(a)CCR	21
§2695.7(d) CCR	21
§2695.7(g) CCR	4
§2695.5(e)(2) CCR	3
§2695.7(b) CCR	1
TOTAL	117

PRAYER AND NOTICE OF MONETARY PENALTY

1 WHEREFORE, Petitioner prays for judgment against Respondents New Hampshire and
2 York as follows:

3 1. An Order to Cease and Desist from engaging in such unfair acts or
4 practices in violation of CIC 790.03;

5 2. Pursuant to CIC Section 790.035, for unfair or deceptive acts in violation of
6 Section 790.03 as set forth above in an amount to be fixed by the Commissioner not to exceed
7 ten thousand dollars (\$10,000.00) for each unfair or deceptive act or practice found to be willful;
8 and a penalty in an amount to be fixed by the Commissioner not to exceed five thousand dollars
9 (\$5,000.00) for each unfair or deceptive act or practice found not to be willful.

10 3. Pursuant to CIC 704(b) and 704.7 suspension of Respondent's certificate of
11 authority for not exceeding one year or a fine of fifty -five thousand dollars (\$55,000) in lieu of
12 suspension for not carrying out contracts in good faith.

13
14 Dated: March 5, 2012

CALIFORNIA DEPARTMENT OF
INSURANCE

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16
17 BY _____-s
MICHAEL TANCREDI
18 SENIOR STAFF COUNSEL
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